

**Department 602 - Agriculture Commissioner  
House Bill No. 1009**

**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	78.00	\$11,067,647	\$28,689,324	\$39,756,971
2019-21 Legislative Appropriations <sup>1</sup>	78.00	10,910,429	30,322,406	41,232,835
Increase (Decrease)	0.00	\$157,218	(\$1,633,082)	(\$1,475,864)

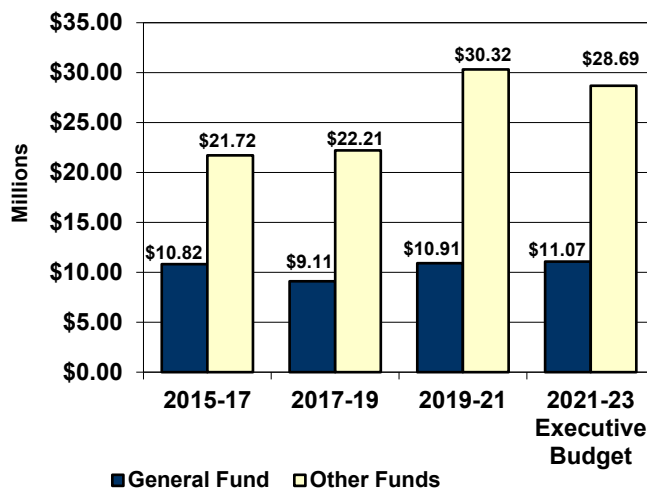
<sup>1</sup>The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

- Additional special funds authority of \$250,000 resulting from Emergency Commission action during the 2019-21 biennium.
- Additional federal Coronavirus (COVID-19) funds authority of \$13,556,000 resulting from Emergency Commission action during the 2019-21 biennium.

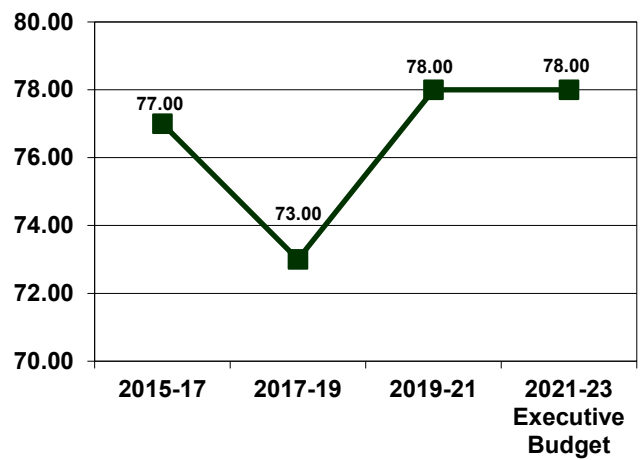
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$10,887,647	\$180,000	\$11,067,647
2019-21 Legislative Appropriations	10,700,429	210,000	10,910,429
Increase (Decrease)	\$187,218	(\$30,000)	\$157,218

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$11,067,647	\$28,689,324	\$39,756,971
2021-23 Base Level	10,700,429	28,322,406	39,022,835
Increase (Decrease)	\$367,218	\$366,918	\$734,136

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights  
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$335,622 is for salary increases, \$3,749 is for health insurance increases, and \$68,599 is for retirement contribution increases. <b>The House added funding for salary adjustments of 1.5 percent per year with a \$100 minimum and \$250 maximum monthly increase and increases in health</b>	\$233,502	\$174,468	\$407,970

insurance premiums from \$1,427 to \$1,429 per month. The House did not add funding for retirement contribution increases.

2. Unfunds 1 FTE Pride of Dakota administrative assistant I position. <b>The House did not unfund this position.</b>	(\$152,521)	\$0	(\$152,521)
3. Adds funding for the state agency Capitol grounds rent proposal. <b>The House did not add funding for this purpose.</b>	\$166,440	\$0	\$166,440
4. Transfers funding from the Department of Commerce for the North Dakota Trade Office, resulting in \$750,000 for the program in the Department of Commerce budget and \$850,000 for the program in the Agriculture Commissioner budget. <b>The House transferred the entire \$1.6 million appropriation from the general fund for the program from the Department of Commerce to the Agriculture Commissioner.</b>	\$850,000	\$0	\$850,000
5. Reduces funding from the environmental impact mitigation fund for mitigation of environmental impact grants to provide a total of \$4,900,000. <b>The House removed the entire \$5 million for this program because the Agriculture Commissioner has a continuing appropriation from the environmental impact mitigation fund.</b>	\$0	(\$100,000)	(\$100,000)
6. Removes funding for wine and research promotion grants (\$80,000), apiary grants (\$75,000), and waterbank grants (\$300,000). <b>The House did not remove funding for these grants.</b>	(\$155,000)	(\$300,000)	(\$455,000)
7. Reduces funding for the Board of Animal Health to provide a total of \$787,718, of which \$200,565 is from the general fund, \$533,745 is from federal funds, and \$53,408 is from the Agriculture Commissioner operating fund. <b>The House did not reduce this funding.</b>	(\$78,000)	\$0	(\$78,000)
8. Adjusts funding for the Wildlife Services program from the general fund to the environment and rangeland protection fund to provide a total of \$1,457,400 for the Wildlife Services program, of which \$125,000 is from the Agriculture Commissioner operating fund, \$500,000 is from the game and fish fund, and \$832,400 is from the environment and rangeland protection fund. <b>The House did not adjust funding sources for the Wildlife Services program, resulting in a total of \$1,457,400 for the Wildlife Services program, of which \$125,000 is from the Agriculture Commissioner operating fund, \$500,000 is from the game and fish fund, \$433,800 is from the environment and rangeland protection fund, and \$398,600 is from the general fund, the same as provided during the 2019-21 biennium.</b>	(\$398,600)	\$398,600	\$0
9. Adds <b>one-time funding</b> to replace the meat inspection, dairy inspection, and mediation program databases. <b>The House did not add funding for this purpose.</b>	\$180,000	\$0	\$180,000

### Other Sections in House Bill No. 1009

**Bioscience innovation grant program** - Section 3 appropriates \$5.5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.

**Federal environmental law impact review fund** - Section 4 appropriates \$5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.

**Agricultural Products Utilization Commission** - Section 5 identifies \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund for defraying the expenses of the Agricultural Products Utilization Commission during the 2021-23 biennium. The funding is considered a one-time funding item.

**Soil health cover crop grant program** - Section 6 identifies \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the

2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.

**State Water Commission transfer** - Section 7 identifies \$125,000 in the estimated income line item, which the State Water Commission is required to transfer to the Agriculture Commissioner for the purpose of defraying the expenses of the Wildlife Services program during the 2021-23 biennium.

**Environment and rangeland protection fund transfer** - Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.

**Environment and rangeland protection fund** - Section 9 identifies \$6,900,301 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.

**Game and Fish Department operating fund** - Section 10 identifies \$619,329 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Agriculture Commissioner programs.

**North Dakota Trade Office** - Section 11 identifies \$1.6 million in the North Dakota Trade Office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

**Agriculture Commissioner salary** - Section 12 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.

**Pipeline restoration and reclamation - Exempt records** - Section 13 amends North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.

**Pipeline restoration and reclamation** - Section 14 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

**Waterbank program - 2019-21 biennium** - Section 15 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

**Waterbank program - 2021-23 biennium** - Section 16 identifies of the amount appropriated in the salary and wages line item, the Agriculture Commissioner may use up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**North Dakota Beef Commission study** - Section 17 provides for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.

### **Continuing Appropriations**

**Bioscience innovation grant fund** - Section 4.1-01-20.1 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis to award grants to North Dakota bioscience businesses to support biotechnology innovation and commercialization, promote the creation of bioscience jobs in the state, encourage the development of new bioscience technologies and bioscience startup companies in the state, leverage the agriculture industry in the state to support the development of bioscience technologies impacting livestock operations and crop production, promote bioscience research and development at institutions under the control of the State Board of Higher Education; and encourage coordination and collaboration among other entities and programs in the state to promote bioscience innovation goals.

**Federal environmental law impact review fund** - Section 4.1-01-21 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis for certain administrative costs related to the Federal Environmental Law Impact Review Committee, which reviews federal environmental legislation and regulations detrimentally impacting or potentially detrimentally impacting the state's agricultural, energy, or oil production sectors.

**Environmental impact mitigation fund** - Section 4.1-01-21.1 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis for distribution to landowners for the mitigation of agricultural land impacted by assessed adverse direct environmental impacts of a proposed site, corridor, route, or facility.

**Honey promotion fund** - Chapter 4.1-08 - Commodity checkoff for market development of honey.

**Turkey fund** - Chapter 4.1-12 - Commodity checkoff for market development of turkeys and turkey products.

**Industrial hemp** - Section 4.1-18-02 - Provides for the Agriculture Commissioner to assess a fee of \$150 plus \$25 per acre to each applicant requesting to grow or process industrial hemp. Fees collected for this purpose are deposited in the Agriculture Commissioner operating fund and appropriated to the Department of Agriculture on a continuing basis.

**Minor use pesticide fund** - Section 4.1-39-08 - For studies, investigations, and evaluations regarding registration and use of pesticides.

**Equine processing fund** - Section 36-21-19 - Provides for the Agriculture Commissioner to assess a fee of \$5 for equine processing facility assessments. The first \$50,000 of fees collected is deposited in the general fund and any additional amounts

are deposited in the equine processing fund. All funds in the equine processing fund are appropriated to the Agriculture Commissioner on a continuing basis.

**State waterbank fund** - Section 61-31-10 - Authorizes the Agriculture Commissioner to receive funds from any private or public source, including from state agencies for the state waterbank program. The state waterbank fund and interest earned are appropriated to the Agriculture Commissioner on a continuing basis.

### **Significant Audit Findings**

The operational audit for the Department of Agriculture conducted by the State Auditor's office for the period ending June 30, 2019, concluded the Agriculture Commissioner exceeded general fund appropriation limits by \$25,529 related to the waterbank program during the 2017-19 biennium.

Section 8 of House Bill No. 1009 (2017) provided the salaries and wages line item in Section 1 of the bill included \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program. During the 2017-19 biennium, the Agriculture Commissioner spent \$40,942 of the \$50,000 for salaries and wages, of which \$15,413 was spent on the waterbank program and \$25,529 was spent on other department salaries. The remaining \$9,058 was canceled and retained in the general fund at the end of the 2017-19 biennium.

The State Auditor's report states the \$50,000 appropriated from the general fund to the Agriculture Commissioner was available only for matching funds for salaries related to the waterbank program. The report states \$34,587 should have been canceled and returned to the general fund at the end of the 2017-19 biennium instead of \$9,058 and that the Agriculture Commissioner overspent the authority provided by \$25,529.

### **Major Related Legislation**

**House Bill No. 1026** - This bill combines state warehouse and facility-based grain buyer licenses and creates a new grain processor and broker license.

**House Bill No. 1045** - This bill allows the Agriculture Commissioner to charge a fee of up to \$125 to inspect, sample, and test hemp, which must be deposited in the Agriculture Commissioner's operating fund.

**House Bill No. 1094** - This bill removes the Agriculture Commissioner from the list of agencies required to obtain centralized desktop support services from the Information Technology Department.

**House Bill No. 1158** - This bill requires the Agriculture Commissioner to deposit 50 percent of funding paid to mitigate the adverse environmental impacts of a proposed site, corridor, route, or facility into the environmental impact mitigation fund and the remaining 50 percent in the federal environmental law impact review fund, rather than depositing 100 percent of available funding into the environmental impact mitigation fund.

**House Bill No. 1394** - This bill provides a 2019-21 biennium appropriation of \$5.5 million to the Agriculture Commissioner from federal funds received as a result of the COVID-19 pandemic, of which \$500,000 is for COVID-19 stress assistance program operating expenses and \$5 million is for COVID-19 specialty crop block grants. Section 2 of the bill provides an exemption for the Agriculture Commissioner to continue the funding into the 2021-23 biennium.

**House Bill No. 1395** - This bill provides a 2019-21 biennium appropriation of \$13,556,000 of federal funding to the Agriculture Commissioner, as approved by the Emergency Commission and Budget Section during the 2019-20 interim, from the state's allocation from the federal Coronavirus Relief Fund for various programs in response to the COVID-19 pandemic.

**House Bill No. 1475** - This bill creates an agriculture innovation fund, provides the Bank of North Dakota a continuing appropriation from the fund, and provides for a transfer from the general fund to the agriculture innovation fund. The Bank is required to develop policies for loans provided from this fund in consultation with the Agricultural Products Utilization Commission.

**Senate Bill No. 2282** - This bill adds the Agriculture Commissioner as a member of the Board of University and School Lands, contingent on voters approving Senate Concurrent Resolution No. 4007.

**Senate Concurrent Resolution No. 4007** - This resolution adds the Agriculture Commissioner as a member of the Board of University and School Lands.

**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835	78.00	\$10,700,429	\$28,322,406	\$39,022,835
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		(\$228,166)	(\$24,207)	(\$252,373)				\$0
Salary increase		192,094	143,528	335,622		\$188,218	\$156,594	344,812
Health insurance increase		2,146	1,603	3,749		2,146	1,603	3,749
Retirement contribution increase		39,262	29,337	68,599				0
Unfunds 1 FTE Pride of Dakota administrative assistant I position		(152,521)		(152,521)				0
Adds funding for Microsoft Office 365 licenses		7,322	1,491	8,813		7,322	1,491	8,813
Adjusts funding for operating expenses		(57,759)	88,566	30,807				0
Adds funding for state agency Capitol grounds rent proposal		166,440		166,440				0
Transfers funding from the Department of Commerce for the North Dakota Trade Office		850,000		850,000		1,600,000		1,600,000
Adjusts federal funding for operating expenses and grants			78,000	78,000				0
Removes 2019-21 biennium funding for a plotter		(10,000)	(5,000)	(15,000)				0
Adds funding to replace a utility terrain vehicle		10,000	5,000	15,000				0
Adds funding for the noxious weeds grant program			50,000	50,000			50,000	50,000
Removes funding for wine and research promotion grants, apiary grants, and waterbank grants		(155,000)	(300,000)	(455,000)				0
Reduces funding for the Board of Animal Health		(78,000)		(78,000)				0
Adjusts funding for the Wildlife Services program		(398,600)	398,600	0				0
Adds funding for 2019-21 biennium salary increase cost to continue				0		69,207	55,860	125,067
Adds funding for salary compression				0		369,866	332,634	702,500
Adds funding for 1 FTE grain inspector position				0	1.00	183,399		183,399
Adds funding for meat inspector salaries and operating expenses				0		106,458		106,458
Adds funding to reclassify a program coordinator to an attorney				0		68,279		68,279
Adds funding for the industrial hemp program				0			36,250	36,250
Adds funding for public warehouse and grain buyer license costs				0		43,500		43,500
Adds funding for the North Dakota Mediation Service program				0		120,000		120,000
Adds funding for the speciality crop block grant program				0			158,000	158,000
Removes funding for mitigation of environmental impact grants			(100,000)	(100,000)			(5,000,000)	(5,000,000)
Total ongoing funding changes	0.00	\$187,218	\$366,918	\$554,136	1.00	\$2,758,395	(\$4,207,568)	(\$1,449,173)
<b>One-time funding items</b>								
Adds funding to replace various program databases		\$180,000		\$180,000				\$0
Adds funding for the Agricultural Products Utilization Commission				0			\$2,700,000	2,700,000
Adds funding for a soil health cover crop grant program				0			500,000	500,000
Adds funding for bioscience innovation grants				0		\$5,500,000		5,500,000

Adds funding for federal environmental law impact review costs				0		5,000,000		5,000,000
Total one-time funding changes	0.00	\$180,000	\$0	\$180,000	0.00	\$10,500,000	\$3,200,000	\$13,700,000
<b>Total Changes to Base Level Funding</b>	0.00	\$367,218	\$366,918	\$734,136	1.00	\$13,258,395	(\$1,007,568)	\$12,250,827
<b>2021-23 Total Funding</b>	78.00	\$11,067,647	\$28,689,324	\$39,756,971	79.00	\$23,958,824	\$27,314,838	\$51,273,662
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.7%	1.3%	1.4%	1.3%	25.8%	(14.9%)	(3.7%)
<i>Total changes as a percentage of base level</i>	0.0%	3.4%	1.3%	1.9%	1.3%	123.9%	(3.6%)	31.4%

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Appropriation - Transfer - General fund - Bioscience innovation grant fund - Bioscience innovation grant program - One-time funding		Section 3 appropriates \$5.5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
Appropriation - Transfer - General fund - Federal environmental law impact review fund - One-time funding		Section 4 appropriates \$5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
Estimated income - Transfer - Bank of North Dakota profits - Agricultural Products Utilization Commission - One-time Funding		Section 5 identifies \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund for defraying the expenses of the Agricultural Products Utilization Commission during the 2021-23 biennium. The funding is considered a one-time funding item.
Estimated income - Transfer - Bank of North Dakota profits - Outdoor heritage fund - Soil health cover crop grant program - One-time funding		Section 6 identifies \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Estimated income - Transfer - State Water Commission	Section 6 would transfer \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.	Section 7 identifies \$125,000 in the estimated income line item, which the State Water Commission is required to transfer to the Agriculture Commissioner for the purpose of defraying the expenses of the Wildlife Services program during the 2021-23 biennium.
Transfer - Environment and rangeland protection fund	Section 3 would require the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.	Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.
Environment and rangeland protection fund	Section 4 would identify \$7,046,124 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.	Section 9 identifies \$6,900,301 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.
Game and Fish Department operating fund	Section 5 would identify that \$624,136 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	Section 10 identifies \$619,329 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Agriculture Commissioner programs.
North Dakota Trade Office - Matching fund requirement	Section 10 would identify that \$850,000 in the operating expenses line item relates to the North Dakota Trade Office, which a portion of the program is recommended to be transferred from the Department of Commerce to the Agriculture Commissioner. The Agriculture Commissioner would be allowed to spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.	Section 11 identifies \$1.6 million in the North Dakota Trade Office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.
Agriculture Commissioner salary	Section 9 would provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect the 2 percent and 2 percent recommended salary increase.	Section 12 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
Pipeline restoration and reclamation - Exempt records		Section 13 amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Pipeline restoration and reclamation - Estimated income	Section 8 would identify that \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.	Section 14 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.
Amendment - 2019 Session Laws - Waterbank program - 2019-21 biennium	Section 7 would amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.	Section 15 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.
Waterbank program - 2021-23 biennium		Section 16 identifies of the amount appropriated in the salary and wages line item in Section 1, the Agriculture Commissioner may use up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.
Legislative Management study - North Dakota Beef Commission		Section 17 provides for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.

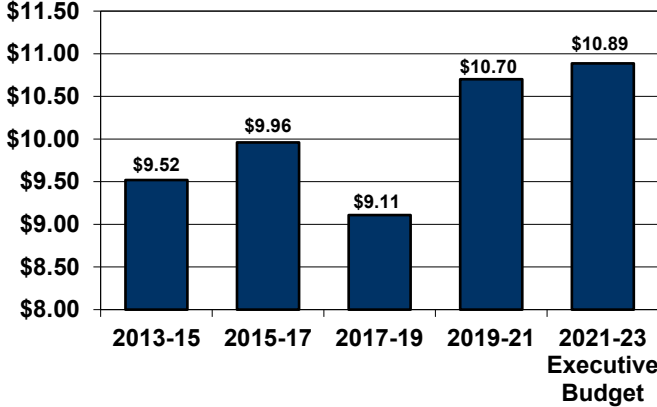


Department 602 - Agriculture Commissioner

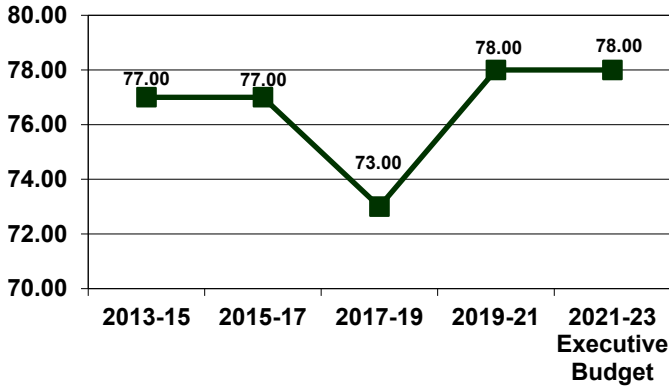
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$9,519,217	\$9,961,137	\$9,109,101	\$10,700,429	\$10,887,647
Increase (decrease) from previous biennium	N/A	\$441,920	(\$852,036)	\$1,591,328	\$187,218
Percentage increase (decrease) from previous biennium	N/A	4.6%	(8.6%)	17.5%	1.7%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	4.6%	(4.3%)	12.4%	14.4%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

**2015-17 Biennium**

- 1. Added funding for monitoring, surveying, and inspecting for Japanese beetle, emerald ash borer, and other issues \$82,297
- 2. Added funding for Information Technology Department desktop support services \$352,912

**2017-19 Biennium**

- 1. Removed 4 FTE positions and related funding (\$600,304)
- 2. Adjusted funding for information technology operating expenses (\$296,836)

**2019-21 Biennium**

- 1. Added funding to transfer the Agriculture Products Utilization Commission (APUC) from the Department of Commerce to provide total ongoing funding of \$2,000,000, of which \$1,760,417 is from the APUC fund. \$239,583
- 2. Added funding to transfer the grain warehouse license and inspection program from the Public Service Commission \$853,499

**2021-23 Biennium (Executive Budget Recommendation)**

- 1. Unfunds 1 FTE Pride of Dakota administrative assistant I position. **The House did not unfund this position.** (\$152,521)
- 2. Adds funding for the state agency Capitol grounds rent proposal. **The House did not add funding for this purpose.** \$166,440
- 3. Transfers funding from the Department of Commerce for the North Dakota Trade Office, resulting in \$750,000 for the program in the Department of Commerce budget and \$850,000 for the program in the Agriculture Commissioner budget. **The House transferred the entire \$1.6 million from the general fund for the program from the Department of Commerce to the Agriculture Commissioner.** \$850,000

- 4. Adjusts funding for the Wildlife Services program from the general fund to the environment and rangeland protection fund. **The House did not adjust funding sources for the Wildlife Services program.** (\$398,600)

**GOVERNOR'S RECOMMENDATION FOR THE  
AGRICULTURE COMMISSIONER AS SUBMITTED  
BY THE OFFICE OF MANAGEMENT AND BUDGET**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$14,232,746	\$ 3,076	\$14,235,822
Operating Expenses	6,592,780	1,156,060	7,748,840
Capital Assets	15,000	0	15,000
Grants	13,823,774	(347,000)	13,476,774
Ag Products Utilization Program	1,760,417	0	1,760,417
Board of Animal Health	865,718	(78,000)	787,718
Wildlife Services	1,457,400	0	1,457,400
Pipeline Reclamation	200,000	0	200,000
Crop Harmonization Board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total All Funds	\$39,022,835	\$ 734,136	\$39,756,971
Less Estimated Income	<u>28,322,406</u>	<u>366,918</u>	<u>28,689,324</u>
Total General Fund	\$10,700,429	\$ 367,218	\$11,067,647
Full-Time Equivalent Positions	78.00	0.00	78.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY- EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium and the 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Master Customer Database	\$ 110,000	\$ 0
Agricultural Products Utilization Commission	2,000,000	0
Mediation Service Database Replacement	0	90,000
Meat Inspection and Dairy Database Replacement	<u>0</u>	<u>90,000</u>
Total All Funds	\$2,110,000	\$180,000
Total Special Funds	<u>2,000,000</u>	<u>0</u>
Total General Fund	\$ 110,000	\$180,000

The 2021-23 one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 3. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND – MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.**

The estimated income line item in section 1 of this Act includes the sum of \$7,046,124, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 5. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$624,136, or so much of the sum as may be necessary, from the game and fish department operating fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 6. ESTIMATED INCOME - STATE WATER COMMISSION - TRANSFER.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 7. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 8. ESTIMATED INCOME – PIPELINE RESTORATION AND RECLAMATION.** The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 9. AMENDMENT.** Section 4-01-21 of the North Dakota Century Code is amended and reenacted as follows:

**4-01-21. Salary of agriculture commissioner.** The annual salary of the agriculture commissioner is ~~one hundred sixteen thousand eight hundred thirty-six dollars through June 30, 2020~~ one hundred twenty-two thousand one hundred fifty-two dollars through June 30, 2022, and one hundred nineteen thousand seven hundred fifty-seven one hundred twenty-four thousand five hundred ninety-five dollars thereafter.

**SECTION 10. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The operating line item and the general fund appropriation in section 1 of this Act include \$850,000 of funding relating to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2021 and ending June 30, 2023. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants provide training to export assistants or buy computer equipment as part of the North Dakota trade office's export assistance program.